

Message Text

LIMITED OFFICIAL USE

PAGE 01 VIENNA 06836 031128Z

16/64

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 SP-03 AID-20 NSC-07 RSC-01

CIEP-03 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-03 INR-11 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 IO-14 L-03 PA-04 USIA-15 PRS-01 IGA-02 H-03

DRC-01 /185 W

----- 090055

R 021512Z AUG 74

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 3456

INFO USMISSION OECD PARIS

LIMITED OFFICIAL USE VIENNA 6836

CORRECTED COPY FOR MR ONLY, VICE 686

E.O. 11652: N/A

TAGS: EFIN, AU

SUBJECT: PROPOSED NEW INTERNATIONAL DEVELOPMENT COUNCIL

REF: A. STATE 161348; B. STATE 165394

SUMMARY: PRELIMINARY GOA REACTION (MINISTRY OF FINANCE) ON PROPOSED NEW INTERNATIONAL DEVELOPMENT COMMITTEE IS CAUTIOUS MIXED WITH CONCERN THAT COMMITTEE WOULD BECOME EXCLUSIVE INSTRUMENT OF LARGE COUNTRIES. GOA ALSO CONCERNED THAT ORGANIZATION OF COMMITTEE COULD TRIGGER POLITICAL TUG PULLING AMONG CONSTITUENT MEMBERS OF IMF/BANK GROUPS. END SUMMARY.

1. ECONCOUNS DELIVERED LETTER CONTAINING FULL TEXT OF SECRETARY SIMON'S LETTER TO GOVERNORS OF C-20 TO SEKTIONS-CHEF NEUDORFER, SENIOR OFFICIAL IN FINANCE MINISTRY FOR INTERNATIONAL AFFAIRS. (MINISTER ANDROSCH CURRENTLY ON LEAVE.)

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 VIENNA 06836 031128Z

2. NEUDORFER SAID HE WAS AWARE OF USG PROPOSAL SINCE HE HAD ATTENDED C-20 MEETINGS IN ROME AND WASHINGTON. HE RECALLED THAT MINISTER ANDROSCH HAD STATED HIS VIEW AT THESE MEETINGS THAT NEW COMMITTEE WAS DELICATE MATTER FOR SMALL COUNTRIES SUCH AS AUSTRIA. BOTH IN ROME AND WASHINGTON, ANDROSCH HAD EXPRESSED HIS CONCERN THAT COMMITTEE MIGHT MAKE DECISIONS THAT WOULD BE BINDING ON CONSTITUENT COUNTRIES AND THAT "THERE COULD BE NO TAXATION WITHOUT REPRESENTATION." CONTINUING ON THIS THEME, NEUDORFER, WHO WILL HAVE CONSIDERABLE INFLUENCE ON GOA ATTITUDE TOWARDS U.S. PROPOSAL, OPINED THAT IT WOULD BE DIFFICULT TO CREATE NEW INSTRUMENTALITY THAT WOULD NOT GIVE A VOICE TO "POTENTIAL NEW MEMBERS SUCH AS EASTERN EUROPEAN COUNTRIES." FURTHER, HE FELT THAT PROPOSED COMMITTEE WOULD BECOME AN INSTRUMENT FOR THE LARGE COUNTRIES AND REFLECT "TYPICAL AND LEGITIMATE" ATTITUDES OF THESE COUNTRIES. WHILE DECISIONS OF THE COMMITTEE MIGHT NOT BE BINDING NOW, COMMITTEE WOULD CERTAINLY FIX THE POLICY LINES OF THE FUTURE.

3. DRAWING ON GUIDANCE CONTAINED REF B, ECONCOUNS MENTIONED THAT INITIAL US VIEW WAS THAT GROUP WOULD CORRESPOND TO IMF CONSTITUENCIES BUT THAT INDIVIDUAL REPRESENTATIVES NEED NOT BE IDENTICAL WITH IMF BOARD OF DIRECTORS. NEUDORFER REPLIED THAT EVEN SUCH A PROCEDURE COULD CREATE PROBLEMS FOR NEUTRAL AUSTRIA AND THAT GOA WOULD NOT WISH TO GET INTO A "STRUGGLE" WITH ITS IMF GROUP MEMBERS (BELGIUM, TURKEY AND LUXEMBOURG) TO SEE WHO WOULD LEAD THE GROUP IN THE NEW COMMITTEE. HE ADDED THAT ORGANIZATIONAL TERMS OF REFERENCE OUTLINED IN SIMON LETTER COULD CREATE DIFFICULT POLITICAL PROBLEMS FOR SOME MEMBERS OF COMMITTEE AS WELL AS SOME CONSTITUENT MEMBERS WHO WOULD NOT WISH TO BE BOUND BY DECISIONS MADE, PARTICULARLY WITH REGARD TO AID TO MSAS.

4. ECONCOUNS SAID THAT US FAVORS A LIMITED SIZE GROUP AS A MORE EFFICIENT WAY TO DEAL WITH PROBLEMS OF LDGS AND MSAS. ALSO STRESSED THAT WE ENVISAGED NEW GROUP WOULD COORDINATE ITS ACTIVITIES WITH EXISTING IFIS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 VIENNA 06836 031128Z

AND OTHER INTERNATIONAL BODIES. NEUDORFER SAID HIS VIEWS WERE, OF COURSE, ONLY PRELIMINARY AND THAT HE WOULD BRING SECRETARY SIMON'S LETTER TO FINANCE MINISTER ANDROSCH'S ATTENTION AS SOON AS POSSIBLE. HE FELT USG PROPOSAL REQUIRED VERY CAREFUL STUDY AND EXPRESSED APPRECIATION FOR HAVING BEEN BRIEFED ON THIS MATTER. HE WOULD ALSO BRING PROPOSAL TO ATTENTION OF CENTRAL BANK PRESIDENT KLOSS AND THAT HE EXPECTED TO HAVE FURTHER VIEWS ON

THE MATTER IN SEPTEMBER.

5. COMMENT: NEUDORFER'S FIRST REACTION NOT SURPRISING IN VIEW TRADITIONAL GOA CONCERN THAT THEY MIGHT BECOME PARTY TO DECISIONS NOT CONSISTENT WITH AUSTRIAN POLICY OF NEUTRALITY. GOA WOULD PROBABLY FEEL MORE COMFORTABLE IF NEW COMMITTEE STRUCTURE WERE TO REMAIN SAME AS THOSE FOR FUND/BANK. GOA HAS LEARNED TO LIVE WITH ITS PRESENT IMF GROUP, WHICH INCLUDES TWO EC MEMBERS (DESPITE FACT, AS NEUDORFER POINTED OUT, THAT THIS HAD OFTEN LED TO SPLIT POSITIONS WITHIN GROUP.) NEUDORFER, IN FACT, OBSERVED THAT THERE MIGHT WELL BE A "GLOBAL" FREE-FOR-ALL IF REPRESENTATION IN NEW COMMITTEE WERE NOT IDENTICAL WITH IMF BOARD OF DIRECTORS.

6. DIFFICULT TO PREDICT NOW HOW GOA VIEWS ON NEW COMMITTEE WILL EVOLVE. SUMMER LULL WILL PREVENT AUSTRIANS FROM TAKING SOUNDINGS WITH OTHER COUNTRIES NOW, BUT WE EXPECT GOA WILL DO SO DURING SEPTEMBER. KEY CONSIDERATION IN AUSTRIAN ATTITUDE WILL BE HOW NEW COMMITTEE WOULD IMPLEMENT ITS "BROAD MANDATE" CONCERNING RESOURCE TRANSFERS TO LDC AND MSAS. MOWINCKEL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, LESS DEVELOPED COUNTRIES, GOVERNMENT REACTIONS, COMMITTEES, INTERGOVERNMENTAL COOPERATION, ORGANIZATION & MANAGEMENT
Control Number: n/a
Copy: SINGLE
Draft Date: 02 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974VIENNA06836
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740212-0572
From: VIENNA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740876/aaaacnrv.tel
Line Count: 137
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A. STATE 161348; B. STATE 165394
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 19 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 MAR 2002 by shawdg>; APPROVED <14 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PROPOSED NEW INTERNATIONAL DEVELOPMENT COUNCIL
TAGS: EFIN, AU
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005